

**Minutes
Hurst City Council
Work Session
August 1, 2015**

On the 1st day of August 2015, at 7:30 a.m., the City Council of the City of Hurst, Texas, convened in Work Session at Hurst Conference Center, 1601 Campus Drive, Hurst, Texas, with the following members present:

Richard Ward)	Mayor
Bill McLendon)	Mayor Pro Tem
Henry Wilson)	Councilmembers
David Booe)	
Anna Holzer)	
Nancy Welton)	
Larry Kitchens)	
Allan Weegar)	City Manager
Jeff Jones)	Assistant City Manager
Clay Caruthers)	Assistant City Manager
Joni Baldwin)	Budget Director
Rita Frick)	City Secretary
Matia Messemer)	Executive Director of Human Resources

With the following members absent: None, constituting a quorum; at which time, the following business was transacted:

Call to Order- The meeting was called to order at 7:30 a.m.

1. **Multi-Year Financial Plan Discussion** - City Manager Allan Weegar and Assistant City Manager Clay Caruthers provided a preliminary Fiscal Year 2015-2016 General Fund Budget Review, Multi-Year Program Trending, Preliminary Fiscal Year 2015-2016 Enterprise Budget review and issues and challenges for Fiscal Year 2015-2016 and beyond. City Manager Allan Weegar noted the Tarrant Appraisal District had computer software changes this year and took a conservative approach with values. He stated values came in .74% down, but staff anticipates an increase next year. He stated staff continues to take a conservative approach to the budget and this year's recommendation will be a 1.76% budget increase. He noted the proposed budget includes an employee salary increase and a one-time lump sum payment. Also noted were rising health care costs and modifications to the plan design. Also provided was an overview of the Enterprise Fund noting an average wastewater increase of 8.56% and

an average water increase of 2.12%. Mr. Weegar explained the City has virtually no control over increases passed from Fort Worth and the Tarrant Regional Water District to the City.

Assistant City Manager Clay Caruthers reviewed preliminary expenditures and revenues for the upcoming budget noting a proposed increase of 1.76%. Reviewed were key expenditure increases and decreases. Also discussed was the July Certified Value Summary, proposed tax rate and any necessary adjustments to maintain the tax rate. City Manager Allan Weegar stated staff will recommend a proposed tax rate the same as the effective tax rate. Mr. Caruthers also reviewed revenue and revenue challenges.

Assistant City Manager Clay Caruthers reviewed the Multi-Year Program trending information for the General Fund revenue, expenditure and tax rate summary incremental changes from Fiscal Year 2009-10 through estimated Fiscal Year 2019-20.

Mayor Ward recessed the meeting at 9:26 a.m. and reconvened the meeting at 9:36 a.m.

Assistant City Manager Clay Caruthers reviewed the Enterprise Fund preliminary budget noting the wholesale costs continue to increase. He stated the costs have increased 55% over seven years. He provided a five year summary noting volatile water revenues and the challenge budgeting this fund. He stated the City's rate smoothing policy remains in effect with a proposed 5% increase. Also reviewed were key expenditure increases and decreases.

City Manager Allan Weegar, Assistant City Manager Clay Caruthers and Executive Director of Human Resources reviewed budget issues and challenges for Fiscal Year 2015-16. Reviewed were challenges related to property tax and values, sales tax erosion, maintenance of infrastructure and facilities, debt and capital improvements as Hurst approaches build out.

Councilmembers discussed having a planning session which provides detailed discussions on the long term viability of the City; the need to strategize on the best methodology to maintain sales, ad valorem values, and a funding mechanism for maintenance of infrastructure and facilities.

Mayor Ward recessed the meeting at 10:51 a.m. and reconvened the meeting at 10:59 a.m.

Executive Director of Human Resources Matia Messemer reviewed federal legislation relative to health care impacts, employment law changes, and healthcare impacts to the City. Ms. Messemer reviewed rising health care costs and efforts to minimize the increase to both the City and employees. She noted a proposed insurance plan design change to offer two plans instead of three. Also noted a proposed independent audit, with a third party, to ensure only qualified dependents were on the plan. She reviewed several employment law issues and the potential impact on future budgets. Also provided was an update on the employee wellness clinic, which is one year into a three agreement.

City Manager Allan Weegar noted the five year plan for pay-go estimates in the Community Services Half-Cent Sales Tax Fund and stated there are no major issues in this fund as long as the sales tax continues.

Assistant City Manager Clay Caruthers reviewed the budget calendar and stated new legislation does not change the process this year.

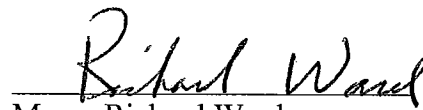
Adjournment - The meeting adjourned at 11:57 a.m.

APPROVED this the 11th day of August 2015.

ATTEST:


Rita Frick, City Secretary

APPROVED


Mayor Richard Ward